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SUBJECT: EU COUNCIL LEAVES MAJOR ISSUES IN COPENHAGEN

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- 11. (SBU) During their March 19-20 European Council meeting, EU Heads of State are unlikely to make any definitive statements related to the EU position at the UN climate conference in Copenhagen; instead, they will leave virtually all issues unresolved and open for further discussion in subsequent Council meetings. This will likely be a disappointment to the European Commission, which had laid out specific objectives for Copenhagen in its January Copenhagen Communication (reftel), but after discussion by the Council of Environment Ministers on March 2 and the Council of Finance Ministers on March 10, the EU's 27 leaders do not appear prepared to commit to the concepts put forth by the Commission, allowing major issues such as financing and mitigation efforts for developed and developing countries to be discussed further. As such, this debate will continue into the summer, with one Member State official explaining to USEU EconOff that the financing conversation could move to a "symbolic fight" among Member States in the fall.
- 12. (SBU) The EU leaders are expected to echo the generalizations put forth by Finance Ministers last week, and will say that the EU is prepared to take on its fair share of financing climate change efforts in developing countries, referring to the "significant domestic and external sources of finance" necessary for mitigation and adaptation. The Commission argued that it believes 175 billion euros per year in 2020 is necessary for global mitigation, but the leaders are not yet willing as a group to endorse that same figure, reflecting the divisions among Member States about how the burden might be shared. Countries such as Sweden and Denmark, the next EU Presidency country and host of the UN conference respectively, are pressing for the EU to make a strong statement by committing now to a financing number. the other side, Poland and Italy, among others, want the impact of the financial crisis to be incorporated into any references to financing climate change efforts. They refuse to undertake commitments at the moment, and these voices, at least for the foreseeable future, are likely to dominate discussions.
- 13. (SBU) In what appears to be a trend in several Member States, major decisions are moving to the EU leaders. This movement is a bit of a departure from standard practice (though more difficult issues often are generally confronted only when the EU leaders meet), and appears to be driven by Poland and others, who prefer Heads of State and Government to have control. According to a Member State representative, Poland learned what was termed "an unfortunate lesson (for the other Member States)" during the debate on the Climate and Energy Package last year, when decisions taken during the December EU Council enabled Poland to make large gains in the final text. As such, Poland now wants decisions on climate

change to be taken only by the European Council. This concept appears to be gaining ground at least in a few other Member States, as control over the issue, seen as a major priority in most of Europe, moves from Environment Ministries to the offices of presidents and prime ministers. This trend could lessen the influence of the Environment Councils over the course of the year, particularly as financial issues dominate conversations.

MURRAY

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